

REMARKS

I. Status of the Claims

Claims 1-30 and 35-38 are pending in the application. Claims 35-37 stand withdrawn and are hereby canceled. Claims 1-30 and 38 have been examined and remain rejected under 35 U.S.C. §102 and §103 over U.S. Patent 6,152,964 ("the '964 patent"), optionally in combination with Long *et al.* The specific grounds for rejection, and applicants' response thereto, are set out in detail below.

II. Telephonic Interview and Claim Amendments

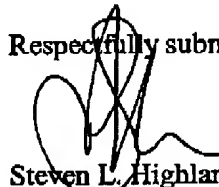
Applicants wish to thank Examiner Witz for the courtesy of telephonic interviews held on April 22 and 27, 2004. During the first interview, it was suggested that applicants should look at the possibility of limiting the type of starting cell population in step (a) of the various method claims. Upon review, applicants proposed, during the second interview, an amendment wherein the term "osteogenic cells" is been replaced by "osteoblasts" and "preosteoblasts," and the phrase "bone precursor cells" is further modified to include "that express low amounts of bone proteins and exhibit a low degree of internal complexity." It is believed that these terms clearly distinguish the starting materials of the cited '964 patent, which both the examiner and applicants agree to be undifferentiated bone marrow cells.

Support for the amendments may be found at page 13, lines 15-24, page 14, lines 7-10, and page 15, lines 7-23.

III. Conclusion

In light of the foregoing, applicants respectfully submit that all claims are in condition for allowance, and an early notification to that effect is earnestly solicited. The examiner is invited to contact the undersigned at the telephone number listed below with any questions, comments or suggestions relating to the referenced patent application.

Respectfully submitted,



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